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A CHRISTIAN VIEW OF LABOR UNIONS

by Gary North

Within certain segments of the Christian community, primarily the Christian Reformed tradition imported from the Netherlands, there is considerable support for the creation of Christian labor unions as an alternative to the secular unions of today. Outside of the Christian Reformed circles, there is almost no discussion of this program within churches. One or two denominations, most notably the Seventh Day Adventists, discourage members from belonging to labor unions. On the whole, the trade union issue is not discussed by churches in any official capacity.

Labor unions are not the major part of the total American labor force, contrary to popular opinion. They are important in the large industries such as autos, steel, and entertainment, but only about 25% of the American labor force belongs to any union, and many of these are weak, rather insignificant organizations. As I hope to demonstrate, it is almost impossible for trade unionism ever to control over half of a nation's labor force in a democratic country, and where unions control more than this, labor mobility will be reduced markedly.

Do Unions Raise Wages? (Whose? How?)

Unquestionably they do. Do monopolies in business raise prices? Unquestionably they do. Labor unions raise wages in exactly the same way that a business monopoly raises prices: *by artificially restricting the supply of a particular resource.* Over the long run, with rare exceptions, no monopolist can keep prices raised in this fashion apart from direct government interference into the market. If the government keeps out competitors, then it is possible for monopolists to keep prices above what they would have been in a free market for years or even decades. In the case of diamonds, the DeBeers oligopoly has kept diamond prices up throughout the twentieth century, but it takes the collusion of the South African government to maintain this monopoly (or at least it took such collusion originally).

The *economics of monopoly pricing* is the foundation of all modern trade unionism. This is either not understood by the supporters of trade unions, or else it is rejected as irrelevant. You will search your days in vain trying to find a supporter of trade unions who is also a supporter of business monopolies, yet the economics of each is identical. The labor union achieves higher wages for its members by excluding non-members from access to the competition for the available jobs. In other words, those who are excluded must seek employment in occupations that they regard as second-best. They bear the primary burden

in the marketplace; they are the ones who pay the heaviest price for the higher than market wages enjoyed by those inside the union.

How can unions exclude outsiders from the bidding process? There are many ways, all used effectively by unions over the decades. *First*, there is raw power. They beat up their competitors. They throw paint bombs (paper bags filled with paint) at the homes of their competitors. They threaten the children of their competitors. Their children exclude the children of the competitors from social activities at school, meaning public (government) school. They shout "scab" from their picket lines at strikebreakers. (Strange, isn't it, that those who defend labor unions never shout "scab" at Ford salesmen who are challenging the so-called monopoly of General Motors?)

Second, and most effective, trade unionists have been able to convince legislators to enact legislation that excludes non-union workers whenever 50% plus one worker vote to choose a particular labor union as the sole bargaining agent in a plant or industry or profession. Professional associations first got such state legislation passed, most notably lawyers, physicians, and dentists. Then, in 1935, the Wagner Act was passed at the national level. It established the National Labor Relations Board (NLRB), a consistently pro-union bureaucratic Federal agency. As far as the favored unions are concerned, 75% of all workers are potential "scabs," and the NLRB keeps most of them in their second-choice jobs.

There is a *third* less evident, means of insuring labor union monopoly pricing. This is minimum wage legislation. This legislation is always supported by trade union officials, whose members are always earning wages higher than the proposed minimum wage. This legislation sees to it that regions that have less developed unions, such as the South — in fact, primarily the South — cannot attract industry so easily from the more heavily unionized Northeast. The minimum wage was the primary means of warfare by unions against non-union workers after World War II until very recently. It still may be the primary weapon. The primary loser is, of course, the urban teenage male black, who cannot get into the northern union, or migrate easily to the South, or offer services to employers that are worth the minimum wage.

Employers pay higher wages than the market would have dictated when their labor force is unionized. Of course, employers outside union domination pay lower wages, since they are not compelled by competitive market forces to bid labor

away from unionized firms. Since 75% or more of all workers are not in a union, they cannot gain legal access to the labor markets where 25% of the workers are employed. They have to work elsewhere. *Thus, non-unionized employers are granted a subsidy from government: lower priced workers.*

When was the last time you heard a supporter of labor unions argue that the reason why unions are wonderful is because they grant a subsidy to the employers who employ 75% of the American labor force? Yet this is precisely the economic effect of compulsory, government-enforced trade unionism.

The Law of Market Competition

"Buyers compete against other buyers. Sellers compete against other sellers." Not that difficult a concept, right? Apparently it is an extremely difficult concept in economics, if we are to judge by the arguments people use in favor of increased government intervention into the free market.

Buyers of labor services compete against other buyers and potential buyers of similar (substitutable) labor services. This means that employers are in constant competition against other employers in the labor markets. They are forced to bid up the price of labor until the point that they can no longer afford to hire any more laborers, or, in the case of the most successful bidder, until all the competition has dropped out of the field. This is the explanation for the curious phenomenon that labor unions subsidize non-unionized industries that are buying labor services from those excluded by law from competing for jobs in unionized industries. The buyers of labor in unionized industries have been compelled by law to depart from the "labor auction" in which 75% of American workers are offering their services to the highest bidder.

On the other hand, sellers compete against sellers. This means that workers who are harmed by trade unionism are those excluded from union membership. They are denied the right to compete for jobs in certain segments of the economy. They have been denied their right to bid, just as the employers in the unionized markets have been denied their right to bid.

The Biblical View of Work

The biblical view of man is work-oriented. It affirms that man is made in the image of God (Gen. 1:26). It affirms that man was placed on the earth to subdue it to the glory of God (Gen. 1:28; 9:1-7). Man is to define himself in terms of his theocentric labor. Unquestionably, the compulsory labor union denies two groups the right to fulfill this cultural mandate: buyers of labor services whose firms are unionized and sellers of labor services who cannot gain admission into trade unions. Coercion has been applied by union members or the civil government which eliminates their right to bid.

When the phrase "right to work laws" was coined in the early 1940's, the anti-unionism forces gained an effective weapon. Yet in terms of biblical economics, it is an illegitimate concept. It is not each man's right to work. It is his *duty* to work. What *is* his lawful right is his right to compete for the job he wants, or his right to compete for the labor services he wishes to purchase. Admittedly, a "right to compete law" lacks the same political appeal. The "right to bid" sounds even less effective. Yet it is this right which we must defend as free men. No one has a right to my job, including me. Anyone should have the right to compete for my job, including me. And I have the right to compete for his.

Strikes

The strike is absolutely immoral, given modern law. The striker argues that he has the right not to work, but his employer does not have the right to hire someone to replace him. Modern compulsory trade unionism is based on the wholly immoral premise that the worker owns his job (can exclude others from the position) even though he refuses to work for his employer. To add insult to immorality, most trade unionists also want government food stamps, unemployment benefits (tax-free), and other forms of taxpayer-financed benefits while they are striking. The consumer is supposed to finance his own funeral, and the coercion of civil law increases further.

Obviously, nobody inside the union could reap monopoly wages if everyone were in the union who wanted to compete for the available jobs. The union would then become economically superfluous. It is only because of the *artificial barriers* set up against other workers that the union members reap their monopoly gains. This is the reason why, economically speaking, the trade union movement in its present, coercive form will never be more than a minority movement. The union needs the majority of workers outside the union movement, since the union membership has to have victims among the working class in order to reap their monopoly returns.

Voluntary Unions

Once a man's contract has expired, he should have the right to walk off the job if he wants to. He should not have the right to keep his employer from hiring a replacement. Similarly, any employer should have the right to fire a worker, once the contract has expired. But he should not have the right to exclude that worker from competing in other labor markets. Trade unions interfere with these rights. They prohibit men from working out their salvations with fear and trembling. They deny the right of others to fulfill the cultural mandate (Gen. 1:28; 9:1-7) before God and before men.

Voluntary unionism is legitimate, so long as the civil government does not do more than enforce the contracts agreed to by employers and laborers. A union can help to spread information about the availability elsewhere of better wages or better jobs, thereby helping its members to keep alert to the true value of the services they are offering for sale. Unions can be self-help societies. But when compulsory, under coercive civil law, they are immoral. They must be recognized as such by orthodox Christians.

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For further reading, see Prof. Sylvester Petro's many books, including *Labor Policy of the Free Society*, *Power Unlimited: The Corruption of Union Leadership*, *The Kohler Strike*, and *The Kingsport Strike*. Also of interest: W.H. Hutt, *The Strike Threat System*.

HOW TO RECLAIM THE AMERICAN DREAM VIA CONSTITUTIONAL AND CHRISTIAN RECONSTRUCTION

by Tom Rose

If it can be said that America ever had a national dream, the dream can be summarized in a statement something like this: America, as a nation, is dedicated to the proposition of protecting and enhancing man's individual freedom and self-responsibility before God, with the emphasis of civil government being local self-determination.

Note that the idea of civil government, in and of itself, is necessarily theological in nature because it presupposes a transcendent law which serves as a norm for both the rulers and those who are ruled. It is law which makes the civil authority, and not the reverse. But note in addition the two main points of civil government in America: (1) Man, as a free and self-responsible individual, stands *directly* and *personally* before God. (2) The nature and source of power of the civil authority are primarily *local* and *self-determined* (as contrasted with a centralized unitary authority).

It was with these objects in mind that both the Articles of Confederation of 1777 and the new Constitution of 1787 were drafted and later ratified (1781 and 1789) by the individual states as separate and independent political entities. The resulting central government (National Government) was the product or offspring of the compacting parties, the states. In effect and in reality, the national government is the *creature* and the compacting States are the *creators*. It is important that Americans always keep this fact in mind. That the above cited goals and structure of American civil government are solidly biblical only emphasizes the historical fact that the American Republic was founded as a self-governing Christian nation. (See Ex. 18:13-26; 1 Tim. 5:17; and Tit. 1:5.)

Just how far America has slipped from the Christian principle of a decentralized and self-governing republic can be seen in a recent incident: A state official of Oklahoma recently advised the people of Tulsa that the Environmental Protection Agency was not pleased with that city's failure to submit a suitable plan for air pollution control. And if a suitable plan is not submitted within a year, the official warned, the EPA will impose "sanctions" to bring the recalcitrant city into line. One threat made was to block the city's industrial development; another was to withdraw federal funds for highway and water construction projects.

Note the ironic switch: The political *creature* is now dictating to its *creators*! Thus is the Christian Republic destroyed!

This switch — the shift in power from the local and state levels to the national level — is plainly evident in all 50 states and in innumerable communities. It has been made possible by the unlimited taxing authority which the States unwisely granted via the 16th Amendment. It was further enhanced by ratification of the 17th Amendment (the direct election of senators), which radically altered the original federal structure of the Republic and practically eliminated the influence of the States as political entities in the National Congress. And, finally, the shift in power has been solidified by passage of the Federal Reserve Act which created a central bank (the Federal Reserve

Bank), thus making it possible for the national government to engage in continued and massive deficit spending — which insidiously transfers the control of privately created wealth into the hands of politicians and bureaucrats at the national level of government.

That these three radical political changes all took place in 1913 makes that fateful year one of the blackest in the history of our Republic. The 16th and 17th Amendments and the Federal Reserve Act combined in 1913 to practically assure the future growth of a centralized and absolutist civil power in what was once a Christian Republic. And with the passing of this almost unlimited taxing and money-creating power into the hands of the central government, the American people have been conditioned financially to look to the national government as the Great Provider to meet all their needs and to solve all their problems. In short, the American people have allowed the national government to become their god. In fleeing self-responsibility, they have set up a secular god. The American people have become idolatrous!

The burning question which now faces concerned Americans, especially Christian Americans, is this: What can be done about the growth of absolutist and tyrannical government in America? What can be done to reclaim the original American Christian dream of individual freedom and self-responsibility before God, the underlying principle upon which our American Republic was founded?

Faithful preaching of the saving Gospel of Christ is one means, but not the whole answer, for many truly born-again Christians blindly support the aggressive growth of humanistic government we have been witnessing during this century. Why? Because they fail to see at least two things: (1) the anti-Christian humanist thrust which underlies the present trend toward aggressive absolutist government in its attempt to manipulate and control citizens in hope of ushering in an earthly Utopia, and (2) the fact that the civil authority, as well as individuals, can break God's immutable commandments "Thou shalt not steal!" and "Thou shalt not covet!" The English Puritan, William Perkins (1558-1602), was well aware of this second point when he wrote:

If it should fall out that men's laws be made things of evil, and forbidden by God, then there is no bond of conscience at all: but contrariwise men are bound in conscience not to obey.

These two failures focus on both a great lack and a great challenge to the organized Church and its pastors. Not only is there a need to *preach* the salvation of Christ by His atoning blood, but out pastors need to *edify* the saints in a *practical out-working of such faith in every aspect of life and culture, including the institution of civil government*. America needs in the worst way stalwart preachers of the faith who will carefully instruct the people in biblical principles of civil government and who will fearlessly oppose the current growth of despotic and

tyrannical government at any level, but especially at the national level where it is now concentrating. As Colonial America was made ready for freedom over 200 years ago by faithful Christian preachers who related the Gospel of Christ to civil liberty, so a similar opportunity and challenge faces pastors of today. The high and holy calling of showing men the way of eternal salvation should include the outworking of that faith and salvation in society. And an essential part of this instruction should be devoted to bringing the institution of civil government into conformity with God's holy law. Louis Berkhof wrote: "The civil law is simply the application of the principles of the moral law to the social and civil life of the people in all its ramifications" (*Systematic Theology*, p. 298).

A grass-roots rebellion against the income tax is now spreading across America. The people in rebellion are reacting to the immorality of a government which has been engaging in massive theft, coveting by taxing, and redistributing their hard-earned wealth via statist controlled give-away and subsidy programs.

Individual tax rebellion may perhaps prove to be the most effective way of denying a totalitarian State the funds which supplies its life blood, but there is a clear biblical principle which Americans have not yet used. That is the principle of *interposition* or *nullification* — the principle of having an intermediate level of government interpose itself between an oppressed people and the oppressing ruler.

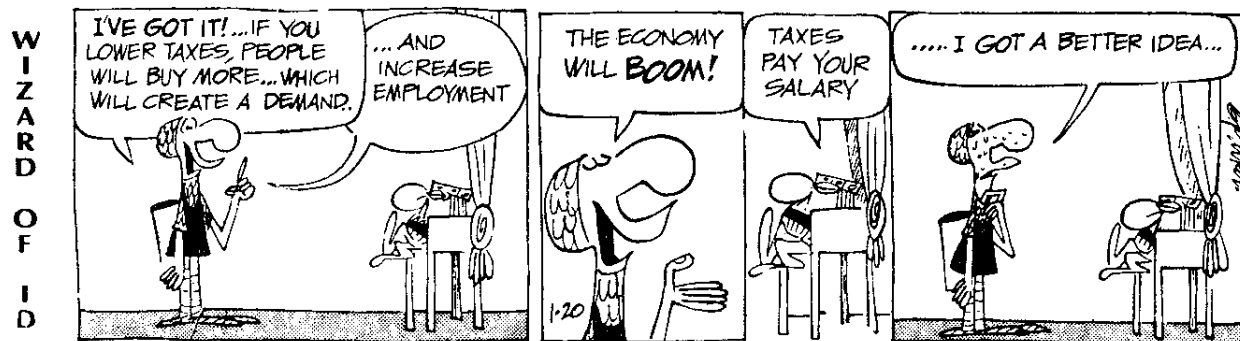
Perhaps the clearest application of this biblical principle is found in I Kings 12:1-24, where elders of Israel appealed on behalf of the people to King Rehoboam to reduce the level of taxes his father Solomon had imposed on the populace. When he unwisely refused, the cry of the elders was, "To your tents, O Israel!" Their interposition led to a God-ordained tax rebellion, a *legal* rebellion.

This same principle of interposition was used by the Colonial Legislatures in America in seeking redress from King George III of England. When interposition failed, they declared their independence; thus the American Revolution was a *legal* and *orderly* resistance against tyranny. The sentiment, "Rebellion against tyrants is obedience to God!" is certainly Christian. It is clearly taught in I Kings 12:1-24, and it clearly speaks to American Christians today.

Is there not in these States United of America (sic) a single state Assembly that will interpose lawful state authority, as the elders of ancient Israel, between the growing tyranny of the national government and the oppressed American people? Is there a county government willing to take a stand? This route should still be tried before Americans "go to their tents" in individual action.

The principle of interposition, in addition to being *Scriptural*, is also *Constitutional*. It was invoked with success in 1798 by Kentucky and Virginia (the Kentucky and Virginia Resolutions) to oppose the Alien and Sedition Laws passed by Congress. It was also used by South Carolina in 1832 to oppose a high tariff law, again with success. Massachusetts and some other New England States applied the concept in the 1850's to negate the Fugitive Slave Law of 1850. And it was only the breakdown of the principle of interposition which led to the tragedy of Civil War in 1861. And since that time the way toward growth of centralist, absolutist power in America has been clear.

Today the biblical principle of interposition and its Constitutional application in offsetting the growth of tyrannical power has been all but forgotten. But it may be the very principle which, if quickly and properly applied, may serve to reconstruct our Republic constitutionally and also help rebuild the spiritual foundation for a Christian America.



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